

February 4, 2003

The Honorable Judy F. Snider
Clerk of the Circuit Court
City of Buena Vista

City Council
City of Buena Vista

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the City of Buena Vista for the period January 1, 2002 through December 31, 2002.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted weaknesses in internal controls that the Clerk needs to address as described below.

Improve Trust Fund Management

The Clerk does not reconcile trust fund bank account balances to the court's financial management system. Specifically, we found five of eight trust fund accounts did not agree to the court's financial management system identifying a difference of \$149 at June 30, 2002. The Clerk should ensure all bank account balances agree to the court's financial management system on a monthly basis and resolve any differences in a timely manner.

Improve Controls over Manual Receipts

The Clerk does not promptly record manual receipts in the court's financial management system and does not maintain numerical continuity of manual receipts. We tested all 21 manual receipts issued and found eight receipts recorded up to ten days after issuance, one receipt not recorded, and four receipts issued out of numerical order.

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The Clerk should only use manual receipts when the automated financial system is not available; and the Clerk should record the receipts as soon as possible after the system becomes available again. Further, the Clerk should issue manual receipts in numerical order, which enhances accountability. Failure to promptly record manual receipts in the court's financial management system and issue them in numerical order greatly increases the risk of theft, misappropriation or other loss of funds.

We discussed these comments with the Clerk on February 4, 2003 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Duncan M. Byrd, Jr., Chief Judge
Scott Dadson, City Manager
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Don Lucido, Director of Technical Assistance
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